



**USAID**  
FROM THE AMERICAN PEOPLE

**BOSNIA-HERZEGOVINA**

## QUARTERLY NEWSLETTER

November 2006 - January 2007



Zana Perla (l) checks on the status of her case in Sarajevo's Municipal Court

## Justice Delayed Is Justice Denied

### Court reforms benefit citizens and attract investors

**W**hen Zana Perla went to the Sarajevo Municipal Court to check on the status of her court case, she gave the clerk her case number and was finished in just a few minutes. "It was fast and efficient," she says. "Now I have an easy way to track my documents and case progress whenever I need to." Delays and backlogs have plagued BiH's courts for years. But recent court administration reforms have dramatically improved the efficiency and transparency of the courts. For example, USAID's Fostering an Investment and Lender-friendly Environment (FILE) project developed a computerized Case Management System (CMS) which assigns each case a unique number that ties together all related docu-

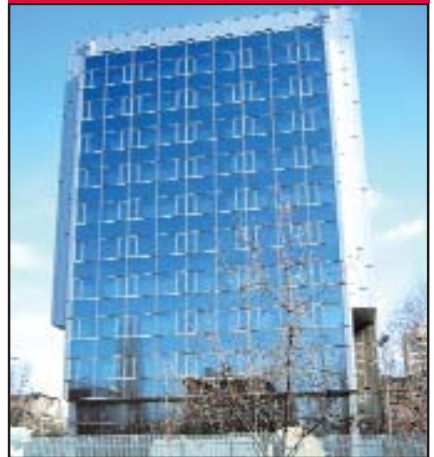
mentation in a central database. Case documents used to be filed under different numbers in different locations making reviews extremely time-consuming for judges. The new system allows court staffers and



Courts were overwhelmed by case backlogs before reforms

judges to have immediate access to all information related to a case with the touch of a finger. FILE worked

### USAID Beginnings



### How did aid agency get its start

Page 4

closely with court staff in six pilot courts to transfer more than 90,000 cases into the CMS database.

FILE recently ended but USAID's Justice Sector Development Project (JSDP) is working along the same lines. JSDP has introduced the case numbering system to an additional 11 model courts throughout BiH. It is also helping with backlog reduction plans, remodeling court premises to be more customer friendly and introducing a color-coded filing system for paper files. The results are extraordinary. The Banja Luka District Court has reduced its backlog of cases by 45% after only one year. Zenica's Municipal Court has noted a 34% reduction in the time it takes to process a case. Citizens are benefitting while investors see that the costs and risks of doing business in BiH have diminished.

USAID is pleased that BiH's High Judicial and Prosecutorial Council (HJPC) has endorsed the reforms and started introducing them to other courts throughout the country.



**RS Prime Minister Dodik demonstrates the amount of paperwork reduced by USAID-supported reforms**

## Reforms shorten time to start business in RS

**S**tarting a business in Republika Srpska (RS) now takes far less time than it used to thanks to the efforts of USAID's Streamlining Permits and Inspection Regimes Activity (SPIRA).

SPIRA met with RS Prime Minister Milorad Dodik to present proposals for improving the business environment in the RS. These included transferring the certification of compliance with "Minimum Technical Requirements" (MTR) to follow a business launch instead of precede it. Within two weeks, all three RS laws that needed to be changed to support the MTR shift had been amended by the RS Assembly.

The changes reduced the time it takes

**"The new MTR procedures are much simpler for business persons and we are witnessing positive reactions throughout the entire business community. Everyone hopes to see more reforms such as this one assisting the development of the economy sector."**

**--Boro Vojvodic, Director, Prijedor Municipality's Department of Economy**

to start a company in the RS by 25 days.

### Public Awareness



**PTICA GRIPA? ŠTA LI JE?  
MORAM SLUŠAT' STARIJE!!!**



As part of its efforts to minimize the risk of an epidemic of bird flu, USAID has partnered with UNICEF to create a public awareness campaign. In addition to adults, the campaign targets children as they account for nearly half the reported cases of bird flu to date.

Just the shift in the RS MTR verification and the proposed elimination of the Urban Permit in construction are projected to save the RS government and businesses over \$8 million in the next five years.

Since its initial success, USAID has established a partnership with the RS government to substantially reduce RS approval procedures and inspection-related measures, as well as shorten the time to register a craft shop.

Firms located in the Federation have taken note and are actively voicing their concerns that the RS provides a more business-friendly regulatory environment and lower taxes, suggesting the possibility of business re-location to the RS. USAID urges the Federation to make regulatory reform a priority. SPIRA is working to achieve this.

### NEWS IN BRIEF ♦ NEWS IN BRIEF ♦ NEWS IN BRIEF ♦ NEWS IN BRIEF

♦ USAID organized an orientation seminar for newly elected members of parliament (MPs) from both entities. More than 60 MPs participated. Topics included roles and responsibilities of an MP, running efficient committees and public hearings, writing Codes of Conduct, and engaging with non-governmental organizations (NGOs). This was the first seminar attended by both

Federation and RS parliament members. ♦ Several hundred taxpayers and tax professionals in the RS attended five USAID-supported public seminars to make taxpayers aware of their responsibilities under the new private income tax and corporate income laws. Seminars focused on differences between the old and the new tax systems, and calculation and payment of

withholding tax on wages and salaries.

♦ USAID's Justice Sector Development Project (JSDP) held a focus group with Sarajevo Prison detainees to discuss a draft of a "Know Your Rights" pamphlet. The JSDP-supported publication was published in cooperation with the OSCE Human Rights Department. It focuses on the role of the defense counsel in adversarial proceedings.



# INVESTIGATIVE REPORTING GETS RESULTS

**Independent media expose wrongdoing; puts government officials on the spot**

Investigative news stories not only get the public's attention, they can also stop corruption. In Banja Luka, Nezavisne Novine used a USAID grant to publish a series doc-

umenting corruption in the petroleum industry. The articles forced an investigation that closed nine gas stations. Another article highlighted corruption in the wood processing industry. As a

result, industry officials opened their files to reporters for the first time.



Good reporting was good business for USAID's media partners. "Black Bosnia," a supplement by Nezavisne Novine on corruption sold briskly



START magazine exposed the illegal purchase of this building

Influenced by the articles, RS legislators decreed the forestry firm must operate through a single bank account, report regularly on its finances, and submit to more frequent audits.

The stories were among more than 340 investigative reports produced by USAID's media partners between 2004 and 2006. Good reporting has become good business in BiH.

## FINANCE



BiH's financial system became stronger with the creation of a Central Registry of Loans to Citizens funded jointly by USAID and the Central Bank. The registry allows banks to check credit histories before deciding whether to grant personal loans. Borrowers now have more incentive to repay loans on time.

## WOOD PROCESSING



A total of 114 graduates of Tesanj's Secondary Vocational School completed a tailored Furniture Manufacturing Qualification Program supported by USAID. The program supplies wood processing companies in the region with an educated workforce that helps make them more competitive.

## TOURISM



USAID's Cluster Competitiveness Activity (CCA) supported a project to clean and map hiking and biking trails on five mountains across Northwest BiH. The project cleaned, adequately marked, and printed trailmaps for Plješevica, Osjecenica, Klekovaca, Kozara and Manjaca Mountains.

## History

# How Did USAID Come to Be?



**Kenyan Masai child is inoculated under USAID vaccination program**

**W**hat is the origin of USAID? Many pass the big blue building in Sarajevo and imagine secret things going on inside. But the truth is, USAID has a very specific and transparent history dating back more than 45 years. While the U.S. had shown the world its generosity with the Marshall Plan following World War II, by 1960, support from the American people for existing foreign aid programs had dwindled alarmingly. Much of the dissatisfaction was prompted by a book that was critical of aid workers. President John F. Kennedy found

U.S. foreign aid programs to be "bureaucratically fragmented, awkward and slow." He made their reorganization a top priority. When asked why the U.S. should continue a foreign assistance program at all,

**"No amount of arms and armies can help stabilize those governments which are unable or unwilling to achieve social and economic reform and development."**

**--U.S. President John F. Kennedy**

Kennedy replied, "The answer is that there is no escaping our obligations: our moral obligations as a wise leader and good neighbor in the interdependent community of free nations--our economic obligations as the wealthiest people in a world of largely poor people, as a nation no longer dependent upon the loans from abroad that once helped us develop our own economy--and our political obligations as the single largest counter to the adversaries of freedom."

As a result, the Foreign Assistance Act of 1961 was approved by Congress. It separated military from non-military aid. USAID became the first U.S. foreign aid organization to have a long-range focus without political and military functions.

Since its creation, USAID's accomplishments have been numerous. USAID child survival programs have helped achieve a 10% reduction in infant mortality rates worldwide in just the past eight years. More than 50 million couples worldwide use family planning as a direct result of USAID's



**Egyptian mother feeds baby with oral rehydration therapy**

population program. Oral rehydration therapy, developed through USAID programs, has saved tens of millions of lives around the globe. Millions of entrepreneurs around the world have started or improved small businesses through USAID assistance. The list goes on. We think President Kennedy would be proud.



**Indians prepare to spray for malaria**

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